

**WASHTENAW COUNTY,
MICHIGAN**

SINGLE AUDIT

For the Year Ended December 31, 2004

WASHTENAW COUNTY, MICHIGAN SINGLE AUDIT

Table of Contents

Year Ended December 31, 2004

	<u>PAGE</u>
Schedule of Expenditures of Federal Awards	1-5
Notes to Schedule of Expenditures of Federal Awards	6
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	7-8
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	9-11
Schedule of Findings and Questioned Costs	12-13

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WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2004

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	<u>Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE		
Passed through Michigan Department of Education:		
School Breakfast Program:		
Juvenile Center	10.553	\$ 13,087
Head Start	10.553	19,711
National School Lunch Program:		
Juvenile Center	10.555	25,193
Head Start	10.555	<u>77,371</u>
Total Michigan Department of Education		135,362
Passed through Michigan Department of Community Health - Women, Infants and Children	10.557	<u>506,139</u>
Total U.S. Department of Agriculture		<u>641,501</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs:		
Community Development Block Grant / Entitlement Grants	14.218	781,203
HOME Investment Partnerships Program	14.239	682,516
Passed through Michigan Economic Development Corporation - Community Development Block Grant - LinkMichigan Program	14.228	37,989
Passed through SOS Community Services, Inc. - Supportive Housing Program	14.235	<u>142,692</u>
Total U.S. Department of Housing and Urban Development		<u>1,644,400</u>

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WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2004

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	Expenditures
U.S. DEPARTMENT OF THE INTERIOR		
Passed through Michigan Department of History, Arts and Libraries -		
Historic Preservation Fund Grants-In-Aid	15.904	\$ 10,381
Historic District Statewide Design Workshop	15.904	5,000
Total U.S. Department of the Interior		15,381
U.S. DEPARTMENT OF JUSTICE		
Direct Program -		
Violence Against Women	16.588	1,148,140
Passed through Michigan Department of State Police -		
State Homeland Security Grant Program -		
Solution Area Planner Grant	16.007	43,000
Passed through Michigan Family Independence Agency -		
Juvenile Accountability Incentive Block Grants:		
Juvenile Accountability	16.523	87,161
Building Restorative Communities Grant	16.540	45,525
Total Michigan Family Independence Agency		132,686
Passed through the National Children's Alliance -		
Non-Member Program Development	16.543	45,199
Total U.S. Department of Justice		1,369,025
U.S. DEPARTMENT OF TRANSPORTATION		
Passed through Michigan Office of Highway Safety Planning -		
State and Community Highway Safety -		
Drive Michigan Safely	20.600	42,838

continued...

WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2004

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	<u>Expenditures</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY		
Direct Program:		
Brownfields Assessment and Cleanup Cooperative Agreements:		
Revolving Loan Fund	66.818	\$ 11,391
Assessment Pilot	66.818	73,917
Passed through Michigan Department of Environmental Quality:		
Indoor Radon Grant	66.032	8,345
Huron River Storm Water Control Demonstration Park	66.460	77,012
Mallets Creek Site Design for Regional Detention	66.460	98,669
Operator Certification	66.471	12,256
Total U.S. Environmental Protection Agency		281,590
U.S. DEPARTMENT OF ENERGY		
Passed through Michigan Department of Consumer & Industry Services -		
Rebuild Michigan	81.119	2,247
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Passed through Michigan Department of State Police -		
Hazard Mitigation Grant	83.548	45,364
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Programs:		
Community Access Program	93.252	453,699
Head Start	93.600	3,637,723
Medical Examiner	93.994	1,500
Total Direct Programs		4,092,922

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WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2004

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	<u>Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)		
Passed through Michigan Department of Community Health:		
Tuberculosis Control Programs	93.116	\$ 23,864
Immunization Grants:		
VFC Provider Site Visits	93.268	4,000
Immunization Action Plan	93.268	131,361
Vaccines	93.268	629,136
Bioterrorism - EPI	93.283	260,260
CDC Emergency Prep. - Focus B	93.283	14,714
CDC Emergency Prep. - Focus E	93.283	29,200
CDC Emergency Prep. - Focus F	93.283	28,606
CDC Emergency Prep. - Focus G	93.283	13,428
Medical Assistance Program:		
Care Coordination	93.778	7,430
Medicaid	93.778	13,294
QHP Medicaid	93.778	48,285
Medicaid - Full Cost (settlement)	93.778	124,487
Medicaid - Full Cost	93.778	358,604
Child Special Health Care	93.778	13,185
HIV Prevention Program -		
HIV/AIDS Counseling and Testing	93.940	77,120
Maternal and Child Health Services Block Grant:		
Local Maternal and Child Health	93.994	109,958
SIDS	93.994	(140)
Child Special Health Care	93.994	19,525
Total Michigan Department of Community Health		<u>1,906,317</u>
Passed through Washtenaw Community Health Organization:		
Projects for Assistance in Transition from Homelessness (PATH)	93.150	43,000
Community Mental Health Services Block Grant:		
Wraparound Services Initiative	93.958	50,000
Child Respite	93.958	4,654
Cognitive Impairment	93.958	56,559
PORT-Service Capacity Expansion	93.958	67,193
Co-Occurring Training	93.958	54,259
State Incentive Grant	93.959	146,143

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WASHTENAW COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2004

Federal Agency/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance	<u>Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (concluded)		
Passed through Washtenaw Community Health Organization (concluded):		
Omnibus Budget Reconciliation Act -		
Preadmission Screenings and Annual		
Resident Reviews (OBRA-PASARR)	93.778	\$ 444,714
Total Washtenaw Community Health Organization		866,522
Passed through Michigan Family Independence Agency:		
Child Support Enforcement:		
Friend of the Court	93.563	2,917,857
Prosecuting Attorney	93.563	383,560
Total Michigan Family Independence Agency		3,301,417
Total U.S. Department of Health and Human Services		10,167,178
U.S. DEPARTMENT OF HOMELAND SECURITY		
Passed through Michigan Department of State Police -		
Emergency Management Performance Grant	97.042	47,679
TOTAL FEDERAL AWARDS		\$ 14,257,203

WASHTENAW COUNTY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Washtenaw County, Michigan (the "County") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Washtenaw County, Michigan provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Women, Infants and Children	10.557	\$ 107,415
Community Development Block Grant	14.218	526,000
HOME	14.239	629,458
Violence Against Women	16.588	342,794
Hazard Mitigation	83.548	15,385
HRSA Community Access	93.252	109,000
State Incentive	93.959	21,081
Head Start	93.600	1,597,617

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REHMANN ROBSON

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

March 4, 2005

To the Board of Commissioners
of Washtenaw County
Ann Arbor, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of ***WASHTENAW COUNTY, MICHIGAN***, as of and for the year ended December 31, 2004, and have issued our report thereon dated March 4, 2005. We did not audit the financial statements of the Employment Training and Community Services Fund, which represent 10.1% of the assets and 15.7% of the revenues of the nonmajor governmental funds and 0.4% of the assets and 3.7% of the revenues of the governmental activities. Also, we did not audit the financial statements of the Washtenaw County Road Commission, which represents 68.1% of the assets and 86.2% of the revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinions, insofar as they relate to the amounts included for the Employment Training and Community Services Fund and Washtenaw County Road Commission, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered ***Washtenaw County, Michigan's*** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to

the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our report and the report of other auditors noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Washtenaw County, Michigan's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and the reports of the other auditors disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Lohorn



REHMANN ROBSON

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

March 4, 2005

To the Board of Commissioners
of Washtenaw County
Ann Arbor, Michigan

Compliance

We have audited the compliance of *Washtenaw County, Michigan* with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2004. *Washtenaw County, Michigan's* major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of *Washtenaw County, Michigan's* management. Our responsibility is to express an opinion on *Washtenaw County, Michigan's* compliance based on our audit.

Washtenaw County, Michigan's financial statements include the operations of the Employment Training and Community Services Fund, a special revenue fund of the County, which received \$5,457,089 in federal awards, which is not included in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2004. Our audit, as described below, did not include the operations of the Employment Training and Community Services Fund because it was audited by other auditors in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about *Washtenaw County, Michigan's* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on *Washtenaw County, Michigan's* compliance with those requirements.

In our opinion, *Washtenaw County, Michigan* complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2004.

Internal Control Over Compliance

The management of *Washtenaw County, Michigan* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered *Washtenaw County, Michigan's* internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grant agreements caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our report and the report of other auditors noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of *Washtenaw County, Michigan* as of and for the year ended December 31, 2004, and have issued our report thereon dated March 4, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise *Washtenaw County, Michigan's* basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

We did not audit the financial statements of the Employment Training and Community Services Fund, which represent 10.1% of the assets and 15.7% of the revenues of the nonmajor governmental funds and 0.4% of the assets and 3.7% of the revenues of the governmental activities. Also, we did not audit the financial statements of the Washtenaw County Road Commission, which represents 68.1% of the assets and 86.2% of the revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Employment Training and Community Services Fund and Washtenaw County Road Commission, is based solely on the reports of the other auditors.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lehmann Lobson

WASHTENAW COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2004

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements
noted?

_____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)?

_____ yes X no

WASTENAW COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended December 31, 2004

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Women, Infants and Children
14.218	Community Development Block Grant
14.239	HOME Investment Partnerships Program
16.588	Violence Against Women
93.778	Medical Assistance Program

Dollar threshold used to distinguish
between Type A and Type B programs:

\$427,716

Auditee qualified as low-risk auditee?

X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - PRIOR YEAR FEDERAL AWARD FINDINGS

No matters were reported.

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